GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

STARRED QUESTION NO:110
ANSWERED ON:02.05.2016
PF Defaulters
Reddy Shri Ch. Malla

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a)whether the Government is aware that a number of employers and establishments in the country have not been depositing their contribution in the Provident Fund (PF) regularly and if so, the details of such companies;
(b)since when these entities have not deposited their contribution and the action taken by the Government against such PF defaulters during each of the last three years and the current year, State/UT-wise;
(c)the details of the Government undertakings/bodies which have defaulted payment of their contributions in PF during the said period, State/UT-wise;
(d)whether the Government has taken any action to ensure compliance of PF laws by all establishments/employers including companies/corporations owned by it and if so, the details thereof and the success achieved therefrom during the said period; and
(e)the steps taken or proposed to be taken by the Government to protect the interests of employees in this regard?

Answer

MINISTER OF STATE (IC) FOR LABOUR AND EMPLOYMENT
(SHRI BANDARU DATTATREYA)

(a) to (e): A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 110 TO BE ANSWERED ON 02.05.2016 BY SHRI CH. MALLA REDDY REGARDING PF DEFAULTERS.

(a) Instances of non-deposit of contribution by some establishments covered under the Employees' Provident Funds & Miscellaneous Provisions (EPF&MP) Act, 1952 have come to the notice of Employees' Provident Fund Organisation (EPFO) as they have violated the provisions of the Act and the Schemes framed thereunder.
(b) The details of defaulting establishments State/UT-wise for the year 2012-13 to 2015-16 (upto December, 2015) are at Annex A. The following actions have been taken by EPFO against the defaulting establishments:-
i. Action under Section 7A of EPF&MP Act, 1952 against the defaulting establishments for assessment of dues.

ii. Action under Section 14B of the Act for levy of damages for belated deposit of dues.

iii. Action under Section 7Q of the Act for levy of interest for belated remittances.

iv. Recovery actions as provided under Section 8B to 8G of the Act.

v. Action under Section 14 of the Act for filing prosecution against the defaulters before the competent Court of law.

vi. Action under Section 14 of Indian Penal Code (IPC) against the employer for non-payment of employees' share of contribution deducted from the wages/salary of the employees but not deposited in the Fund.
(c) A total number of 1195 public sector entities have defaulted payment of their contributions in the year 2014-15 under the Schemes framed under the Act. The State/UT-wise details of total assessed demand amounting to Rs. 1263.03 crore in these entities as on 31.03.2015 is at Annex B.
(d) EPFO has taken action as enumerated in reply to part (b) of the Question above to ensure compliance of the Act by the defaulting establishments. These actions have resulted in recovery of Rs. 3240.14 crore from the defaulting establishments during the year 2014-15.
(e) EPFO has been taking steps as stipulated under the Act and the Schemes framed thereunder to protect interests of the employees covered under the Act.